

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 79 - HB 52

February 8, 2013

SUMMARY OF BILL: Establishes the Office of Higher Education Ombudsman within the office of the Comptroller of the Treasury. States the role of this office shall be to assist faculty, staff, and employees in obtaining information about the operations and financial workings of the public higher education system and to provide educational outreach on higher education issues. Requires each public higher education system to appoint a person from existing personnel to serve as a contact person for the Ombudsman. Requires each public education system to provide the Ombudsman with the name of the contact person within sixty days of July 1, 2012, and to notify the Ombudsman within seven business days of the any change in the contact person. Requires the Ombudsman to make an annual report to the Chairs of the Education Committees of the General Assembly of the office's activities, findings and recommendations. Requires a copy of the annual report be provided to the Governor, members of the General Assembly, the President of the University of Tennessee (UT), and the Chancellor of the Tennessee Board of Regents (TBR). Requires the Ombudsman to provide a draft of the report to those affected in the state higher education system; provide them with an opportunity to comment; and include their comments in the final version of the annual report.

Establishes the position of Higher Education Inspector General within the Office of the Higher Education Ombudsman. Requires the Higher Education Ombudsman to function as the Higher Education Inspector General unless the Comptroller finds that responsibilities would be handled more efficiently by two separate individuals. The Inspector General shall examine financial and policy compliance within UT and TBR. Requires the Inspector General to make an annual report to the Chairs of the Education Committees of the General Assembly detailing the Inspector General's activities, findings, and recommendations. Requires a copy of the annual report to be provided to the Governor, members of the General Assembly, the President of the University of Tennessee, and the Chancellor of the Tennessee Board of Regents. Requires the Inspector General to provide a draft of the report to those affected in the state higher education system; provide them with an opportunity to comment; and include their comments in the final version of the annual report.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$504,300

Assumptions:

- According to the Comptroller, the duties will be handled by separate individuals.

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- Based on information received from the Comptroller, the salary and benefits for the Inspector General will be \$123,000. One supervisor will be hired a cost of \$92,000 including salary and benefits.
- Three other staff members will be hired at a cost of \$69,000 in salary and benefits per position for a total increase in state expenditures estimated to be \$207,000 (\$69,000 x 3).
- Personnel will travel extensively throughout the state. The Comptroller has estimated that travel costs will be approximately \$41,000 annually.
- Supplies for new personnel will be approximately \$19,320 and other materials such as space set-up will be \$22,000.
- The total recurring increase in state expenditures is estimated to be \$504,320 (\$123,000 + \$92,000 + \$207,000 + \$41,000 + \$19,320 + \$22,000).
- According to the Comptroller's Office, actual expenditures could be higher depending upon the extent of the employee travel and the number of employees hired.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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